

EXCEPTIONS
BEFORE THE ARIZONA CORPORATION COMMISSION

OPEN MEETING AGENDA ITEM

COMMISSIONERS

ROBERT "BOB" BURNS, Chairman
BOYD DUNN, Commissioner
SANDRA D. KENNEDY, Commissioner
JUSTIN OLSON, Commissioner
LEA MARQUEZ PETERSON, Commissioner

IN MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY
FOR A RULING RELATING TO ITS 2020
DEMAND SIDE MANAGEMENT
IMPLEMENTATION PLAN

Docket No. E-01345A-19-0088

**SWEEP Amendments to the Staff Revised
Recommended Opinion and Order**

**Amendments of the Southwest Energy Efficiency Project
on the Commission Staff's Revised Recommended Opinion and Order on
Arizona Public Service Company's 2020 Demand Side Management Implementation Plan**

On August 17, 2020, the Southwest Energy Efficiency Project (SWEET) filed comments on the Commission Staff's Recommended Opinion and Order on Arizona Public Service Company's (APS) 2020 Demand Side Management Implementation Plan.¹ Those comments supported approval of the Plan as recommended by Staff with five friendly modifications. On September 15, 2020, the Commission Staff filed a revised Recommended Opinion and Order that addressed one of SWEET's recommendations.²

SWEET provides four amendments attached herein to address our remaining recommendations:

1. Until the COVID-19 crisis is behind us, emergency relief measures for low-income weatherization and HVAC for residential and non-residential customers should remain available. *See SWEET Proposed Amendment No. 1*
2. All non-residential customer segments are suffering from the impacts of COVID-19, especially small businesses and the healthcare, hospitality, food services, and tourism industries. These customers should be afforded an equal opportunity to benefit from cost-effective energy efficiency measures. *See SWEET Proposed Amendment No. 2*
3. Dispatchable efficiency measures like connected water heaters and connected pool pumps are critical tools for integrating increased solar generation on the grid and would give customers the ability to manage their energy consumption and costs, including to manage time-of-use rates and demand charges. These measures should be made available on a pilot basis, as proposed by APS. *See SWEET Proposed Amendment No. 3*

¹ <https://docket.images.azcc.gov/E000008453.pdf>

² <http://docket.images.azcc.gov/E000008951.pdf>

4. As the highest energy-consuming appliance in the typical Arizona home, air conditioning is an essential load to manage in order to curb the growth of future peak demand. The implementation of a tiered incentive structure, like the one offered by Salt River Project, would drive the installation of increasingly efficient HVAC, reducing the growth of peak demand, and saving money for all Arizonans. See *SWEEP Proposed Amendment No. 4*.

We respectfully submitted these comments on September 17, 2020.

Ellen Zuckerman

Co-Director, Utility Program, SWEEP

Caryn Potter

Manager, Utility Program, SWEEP

SWEEP PROPOSED AMENDMENT NO. 1

TIME/DATE PREPARED:

COMPANY: ARIZONA PUBLIC SERVICE

AGENDA ITEM NO.: 45

DOCKET NO.: E-01345A-19-0088

OPEN MEETING: 09/22/2020

Purpose: To ensure that emergency relief measures for low-income weatherization and HVAC remain available as Arizona continues to address the COVID-19 crisis and its impacts.

At Page 10, Line 5, after “2021.”

INSERT:

“However, we recommend that these requirements and incentives remain in effect until further order of the Commission in recognition that the impacts of the COVID-19 crisis are unprecedented and anticipated to persist for the foreseeable future.”

At Page 14, Lines 21, after “2021.”

INSERT:

“However, we recommend that this temporary increase in the funding cap remain in effect until further order of the Commission in recognition that the impacts of the COVID-19 crisis are unprecedented and anticipated to persist for the foreseeable future.”

At page 15, Line 17, after “2021.”

INSERT:

“However, we recommend that these requirements and incentives remain in effect until further order of the Commission in recognition that the impacts of the COVID-19 crisis are unprecedented and anticipated to persist for the foreseeable future.”

At Page 28, Line 2, after “2021.”

INSERT:

“However, we recommend that these requirements and incentives remain in effect until further order of the Commission in recognition that the impacts of the COVID-19 crisis are unprecedented and anticipated to persist for the foreseeable future.”

At Page 28, Line 20, after “2021.”

INSERT:

“However, we recommend that this temporary increase in the funding cap remain in effect until further order of the Commission in recognition that the impacts of the COVID-19 crisis are unprecedented and anticipated to persist for the foreseeable future.”

At Page 28, Line 23, after “2021.”

INSERT:

“However, we recommend that these requirements and incentives remain in effect until further order of the Commission in recognition that the impacts of the COVID-19 crisis are unprecedented and anticipated to persist for the foreseeable future.”

At Page 32, Line 16:

DELETE:

“on January 1, 2021”

AND REPLACE WITH:

“upon further order of the Commission”

At Page 33, Lines 12-13:

DELETE:

“on January 1, 2021”

AND REPLACE WITH:

“upon further order of the Commission”

At Page 33, Lines 17:

DELETE:

“on January 1, 2021”

AND REPLACE WITH:

“upon further order of the Commission”

**** MAKE ALL CONFORMING CHANGES**

SWEEP PROPOSED AMENDMENT NO. 2

TIME/DATE PREPARED:

COMPANY: ARIZONA PUBLIC SERVICE

AGENDA ITEM NO.: 45

DOCKET NO.: E-01345A-19-0088

OPEN MEETING: 09/22/2020

Purpose: To ensure that all non-residential customer segments, particularly those suffering from the impacts of COVID-19, including small businesses and the healthcare, hospitality, food services, and tourism industries, are afforded an equal opportunity to benefit from cost-effective energy efficiency measures that are available to nonprofits and schools.

At Page 6, Line 26, after “Programs”

INSERT:

“We further believe that all non-residential customers participating in the Non-Residential Existing Facilities and New Construction programs should have access to these cost-effective measures.”

At Page 27, Line 13, after “herein”

INSERT:

“We further recommend that all non-residential customers participating in the Non-Residential Existing Facilities and New Construction programs have access to the cost-effective measures available to nonprofits and schools.”

At Page 31, Line 27

INSERT NEW ORDER PARAGRAPH:

“IT IS FURTHER ORDERED that all special incentives offered to Schools and Non-profits in the Non-Residential Existing Facilities and New Construction programs be made available to all non-residential customers participating in these programs.”

**** MAKE ALL CONFORMING CHANGES**

SWEEP PROPOSED AMENDMENT NO. 3

TIME/DATE PREPARED:

COMPANY: ARIZONA PUBLIC SERVICE

AGENDA ITEM NO.: 45

DOCKET NO.: E-01345A-19-0088

OPEN MEETING: 09/22/2020

Purpose: To approve connected water heaters, connected water heater controls, and connected pool pumps on a pilot basis in recognition of the fact that these dispatchable efficiency measures are critical tools for integrating increased solar generation on the grid; will help Arizona to relieve grid strain during times of extreme heat; and will give ratepayers additional options to manage their energy consumption and costs, including to manage time-of-use rates and demand charges.

At page 11, Line 11, after “Programs.”

INSERT:

“However, we believe it is important for APS to offer dispatchable energy efficiency measures on a pilot basis in order to integrate increased solar generation on the grid; help Arizona relieve grid strain during times of extreme heat; and give ratepayers additional options to manage their energy consumption and costs. We, therefore, recommend approval of Connected Water Heater Controls as a pilot measure for both the Residential Existing Homes and Multi-Family Programs.”

At page 11, Line 24, after “Program.”

INSERT:

“However, we believe it is important for APS to offer dispatchable energy efficiency measures on a pilot basis in order to integrate increased solar generation on the grid; help Arizona relieve grid strain during times of extreme heat; and give ratepayers additional options to manage their energy consumption and costs. We, therefore, recommend approval of Connected Pool Pump Controls as a new pilot measure for the Residential Existing Homes Program.”

At Page 13, Line 12, after “Programs.”

INSERT:

“However, we believe it is important for APS to offer dispatchable energy efficiency measures on a pilot basis in order to integrate increased solar generation on the grid; help Arizona relieve grid strain during times of extreme heat, and give ratepayers additional options to manage their energy consumption and costs. We, therefore, recommend approval of Connected Water Heating as a pilot measure for both Residential New Construction and Multi-Family Programs.”

At Page 28, Line 6, after “Programs.”

INSERT:

"However, we recommend approval of Connected Water Heater Controls as a pilot measure for both the Residential Existing Homes and Multi-Family Programs because it is important for APS to offer dispatchable energy efficiency measures in order to integrate increased solar generation on the grid; help Arizona relieve grid strain during times of extreme heat; and give ratepayers additional options to manage their energy consumption and costs."

At Page 28, Line 8, after "Program."

INSERT:

"However, we recommend approval of Connected Pool Pump Controls as a new pilot measure for the Residential Existing Homes Program because it is important for APS to offer dispatchable energy efficiency measures in order to integrate increased solar generation on the grid; help Arizona relieve grid strain during times of extreme heat, and give ratepayers additional options to manage their energy consumption and costs."

At Page 28, Line 14, after "Programs."

INSERT:

"However, we recommend approval of Connected Water Heating as a pilot measure for both the Residential New Construction and Multi-Family Programs because it is important for APS to offer dispatchable energy efficiency measures in order to integrate increased solar generation on the grid; help Arizona relieve grid strain during times of extreme heat; and give ratepayers additional options to manage their energy consumption and costs."

At Page 32, Line 22, after "Controls"

DELETE:

"not"

At Page 32, Line 24, after "Controls"

DELETE:

"not"

At Page 33, Line 5, after "Heating"

DELETE:

"not"

**** MAKE ALL CONFORMING CHANGES**

SWEEP PROPOSED AMENDMENT NO. 4

TIME/DATE PREPARED:

COMPANY: ARIZONA PUBLIC SERVICE

AGENDA ITEM NO.: 45

DOCKET NO.: E-01345A-19-0088

OPEN MEETING: 09/22/2020

Purpose: To implement a tiered incentive structure, like the one offered by Salt River Project, to drive the installation of increasingly efficient HVAC, reduce the growth of peak demand, and save money for all Arizonans in recognition of the fact that HVAC is the highest energy-consuming appliance in the typical Arizona home and that air conditioning is an essential load to manage in order to curb the growth of future peak demand. This amendment would also ensure that this emergency relief measure remains available as Arizona continues to address the COVID-19 crisis and its impacts.

At Page 10, Line 3, after “program.”

INSERT:

“However, we believe a tiered incentive structure, like the one offered by Salt River Project, will drive the installation of increasingly efficient HVAC, reduce the growth of peak demand, and save money for all Arizonans in recognition of the fact that HVAC is the highest energy-consuming appliance in the typical Arizona home and that air conditioning is an essential load to manage to curb the growth of future peak demand. We, therefore, recommend the incentive for eligible residential HVAC replacements be set at \$1,000 per unit for all qualifying SEER units, and up to \$1,200 per unit for all qualifying equipment 15 SEER and above. We further believe that these requirements and incentives should remain in effect until further order of the Commission in recognition that the impacts of the COVID-19 crisis are unprecedented and anticipated to persist for the foreseeable future.”

At Page 28, Line 2, after “2021”

INSERT:

“However, we recommend a tiered incentive structure, like the one offered by Salt River Project, will drive the installation of increasingly efficient HVAC, reduce the growth of peak demand, and save money for all Arizonans in recognition of the fact that HVAC is the highest energy-consuming appliance in the typical Arizona home and that air conditioning is an essential load to manage to curb the growth of future peak demand. We, therefore, recommend the incentive for eligible residential HVAC replacements be set at \$1,000 per unit for all qualifying SEER units, and up to \$1,200 per unit for all qualifying equipment 15 SEER and above. We further recommend that these requirements and incentives remain in effect until further order of the Commission in recognition that the impacts of the COVID-19 crisis are unprecedented and anticipated to persist for the foreseeable future.”

At Page 32

DELETE: Lines 16-19

AND REPLACE WITH:

"IT IS FURTHER ORDERED that the temporary incentives for the Residential HVAC Quality Installation Program be approved at \$1,000 per unit for all qualifying Seasonal EE Ratio units, and up to \$1,200 per unit for all qualifying equipment 15 SEER and above, as discussed herein, and that the program return to its currently approved requirements upon further order of the Commission."

**** MAKE ALL CONFORMING CHANGES**